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FISCAL IMPACT REPORT



SPONSOR: Garcia DATE TYPED: 2-10-02 HB 449

SHORT TITLE: Teacher Incentive Pay Act SB _____

ANALYST: Segura

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$2,000.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House Bill 449 offers supplementary incentive pay for teachers who will enter into a five –year employment contract to teach in an elementary school where 90% of the students receive free or reduced lunch assistance.

Significant Issues

The bill proposes to establish a program at SDE for teacher that enter into a special contract would receive \$3,000supplementary incentive pay for each of the five years in the term of the contract. A penalty clause for non-fulfillment of the contract terms is included.

FISCAL IMPLICATIONS

House Bill 449 appropriates \$2,000.0 from the general fund and is recurring.

ADMINISTRATIVE IMPLICATIONS

The SDE would administer the program.

OTHER SUBSTANTIVE ISSUES

The State Department of Education raises significant issues with House Bill 449:

- The fact that the program authorized by this bill continues through 2010=2011 school year and includes the signing of the binding five-year employment contract entitling the teachers to incentive pay does not seem to reconcile with non-recurring funding.
- The penalty for non-completion of the five-year contract is repayment of the incentive pay portion of salary. Demanding repayment of salary could raise questions of ability to pay, based on health , family reasons or the rehiring or the rehiring of the teacher.
- Language in the bill indicates that the contract is signed between a teacher and an individual elementary school. Currently contracts for pay are generally with a school district.

RS/njw